[1878] Com.

No. 1.

CAMPAIGN TRACTS.

(F131

#### RESULTS

OF

# FIVE YEARS GRIT-ROUGE RULE

IN CANADA.

### The Public Expenditure and the Public Debt.

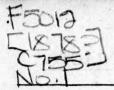
Now that the elections are coming on, by the close of the third Parliament of the Dominion, it is proper to take stock of the result of five years of Grit-Rouge rule in the Dominion. Mr. Mackenzie came into office with loud professions on his lips. When the elections of January, 1874, occurred, the people gave him a larger majority than has ever been before accorded to any Government in Canada. They believed the twenty years of professions of the party led by Mr. Mackenzie, and they resolved to give them a trial of five years. They have had that trial. It is true that almost every election that has occurred since has shown a decreasing confidence in the Government; but they always had a majority large enough and compact enough to enable them to do whatever they thought to be for the interests of the country. With such a majority there could be no excuse for not carrying out in office the promises made in opposition. Have these promises been

carried out? That is the important question for the electors, now that they are called upon to pronounce judgment upon the record of the last five years. And that is the question which in these political tracts it is designed to shower.

First as to the financial question. Upon no subject were the Grits and Rouges more pronounced in their statements. The late Government were, according to them, grossly extravagant. There was abundant room for reductions in the public expenditure. Mr. Mackenzie, in a speech delivered at London on the 25tb October, 1870, said:—

"When the Government was first formed in 1867-8, the offices were filled with a great army of employees, but notwith itanding the entire expenses of (ivil Government, including the Governor-General's salary and those of the Lieut.-Governors were \$594.445 82. What was it now? The very same items now reached \$661,675.82—an increase of nearly \$70,00 in two years, in consequence, as he firmly believed, of the naturally bad system of Government; that existed under a coalition."





At St. Catherines, on the 15th of November of the same year (Globe of the 16th) he said :-

"Why the Ministry were packing the public buildings from actic to cellar—two or three in every r. om—till one could hardly find his way through them. The last time he was at that we he found four men at the do r waiting for the lattle man's beh ats inside"

The Rouges, in 1872, when they went through the form of reorganizing under the name of the partinational, laid down the following as among the principles which were to be carried into effect by their party as soon as it succeeded in getting office :-

3. Reduction of the number of Ministers.
4 Diminution of the Governor-General's salary.

5. Reduction of the number of public em-ployees to what is strictly required for the efficient performance of the public service.

How have these promises been fulfilled? The number of Ministers has not been reduced. Un the contrary when, during last session, Mr. Laflamme introduced a bili to abolish the office of Receiver-General, as useless, instead of attempting to carry out the promises of his party, and saving the expense of this useless Minister, a new office, that of Attorney-General, was created. The salary of the Governor General has not been diminished, and thus the conduct of the Conservatives in resisting the decrease in the salary of the Queen's representative, has been vindicated. And the following figures, in relation to the costs of the civil service, will show that, if Mr. Mackenzie was right in his statement that the expenses were too high, that the Administration was extravagant, he is highly culpable for not having reduced them :-

1872 3	\$750,900
1873-4	883,685
1874-5	909,3 0
1875-6	842.0 0
1876-7	812,200

The Ministerialists are in the habit of pointing to the year 1873-4 as compared with the last for which we have any public accounts, as a proof that substantial reductions have been made in the cost of Civil Government under this Government. It is worth while giving in detail the expenditures, under the head of civil gov | the omission from the accounts of the

ernment for these last two years as follows, premising that the expenditure fortwo-thirds of the first year was by Mr. Mackenzie and his colleagues, and that in the following year they largely increased it:-

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#### CIVIL GOVERNMENT.

	1873-4.	1876 7.
Governor-General\$	48,666	\$48,666
LtGov. Ontario	10,000	10,000
" Quebec	10,000	9,973
" Nova Scotia	8 903	9,000
" N. Brunswick.	9,000	9,000
" Manitoba	9,000	9,000
" B. Columbia	9,000	9,000
" P.E. Island	6,814	6,999
" N. W. Territory	1,000	5,403
" Keewatin		734
DEPARTMENTAL	SALARIES.	
Governor-General's Sec-		
retary's Department	10,079	10,092
Privy Council	16,011	. 21,444
Department of Justice	19,181	18,724
" Penitentiar-	•	
ies Branch		2,877
Militia and Defence	42,776	42,192
Secretary of State	33,660	38,336
Department of the In-	10.00	
terior	42,556	47,186
Receiver-General	28 131	26 452
Inland Revenue	28,773	30,777
Minister of Finance	54,139	53 412
Treasury Board	3 458	3,300
Department of Customs.	35,358	34,320
Department of Public	4.11.50	
Works	54,336	55,150
Post Office Department	82,991	88,239
Dept. of Agriculture	35 916	32,123
" Marine & Fisheries.	30 087	32,304
Quebec	4,188	
Nova Scotia	2,915	
New Brunswick	4,928	
British Columbia,	2,140	
Agencies-Public Works	2,530	
" Dominion Lands	in the second	1
office, Manitoba	10,583	••••
Total contingencies	222 803	157,479
Total Civil Government		6.4,712
and the first of the same	\$883,685	\$812 191

There is an apparent decrease in the cost of civil government between 1875-4 and 1876-7 of \$6,170. But it will be seen that this has been more than made up by

Marine and Fisheries Department of out-

side agencies, and the Dominion Lands

office in Manitoba, amounting in all to \$27,284; so that, deducting this from the amount of 1873-4, it will be seen that with all their efforts to

good

the general elections, the cost of the

service, which Mr. Mackenzie denounced

as excessive, is \$21,114 in excess of the

last year for which the late Government

prepared the estimates, though the ex-

penditures of those estimates were for

eight months of that year in the hands

of Mr. Mackenzie and his colleagues.

The increase is in the matter of contin-

gencies. That, however, the late Government cannot be held responsible for,

seeing that they were in office for only

four months of the twelve in which

The expenditure under this

those contingent expenditures were

head was \$222,803, while the estimate

of Mr. Tilley was only \$150,000; so that

Mr. Mackenzie spent \$72,803 more on

contingencies than Mr. Tilley asked for

or Parliament had voted; and having

done that, he attempts to make the late

Government responsible for the expendi-

ture. In order to show that this same method was adopted in connection with

other expenditures on the Civil Govern-

ment, it is only necessary to compare the

sums voted by Parliament, as appears by

the supply bill, under the guidance of the

by the present Government, as appears

30,630

20,015

by the Public Accounts :-

Dept. Agriculture.....

" Marine & Fisheries.

Public

appearance

Accounts before

as folture for Ir. Mact in the ed it:-1876 7. \$48,666 10,000 9,973 9,000 9,000 9,000 9,000 6,999 5,403 734 10,092 21,444 18,724 2,877 42,192 38,336 47,186 26 452 30,777. 53 412 3,300 84,320 55,150 88,239 32,123 32,304

Voted. Expen'd. Governor-General's Secretary's Office..... \$ 5,982 10,079 Privy Council ..... 11,650 12,869 Dept. of Justice..... 9,550 12,415 57,479 " Militia and Defence 30,480 35,776 34,712 Secretary of State... 27,727 26,660 for the Provinces... 16,920 35,556 12 191 Receiver-General... . 17,247 21,131 n the Finance..... 45,460 47,139 1875.4 Customs..... 24.835 28,359 Inland Revenue.... seen : 19,775 up by Public Works ..... 41,360 Post-office Department... the 66,410

present

the last

Treasury Board	3,150	3,458
Agencies	15,200	14,173
Dominion Lands Office	4,800	10,583
Public Works, B. C	4,000	2,530
Contingencies	150,000	222,803
Stationery	15,000	1700
Possible increases	10,000	Dan Tees
The state of the s		A STATE OF THE STA

\$570,192 \$683,104

It will thus be seen that in the matter of civil service alone, excluding the salaries of the Governor-General, the Lieutenant-Governors and the Ministers, which are fixed by statute, and are not subject to an annual vote, Mr. Mackenzie's Government spent in the year 1873-4 the large sum of \$112,912 more than Mr. Tilley asked or than Parliament voted. In order, therefore, to fairly apportion the responsibility for the expenditures, under the head of civil government, if Mr. Mackenzie insists upon making the late Government responsible for 1873-4, on the ground that they brought in the estimates, this sum must be deducted from the expenditure, and the following will be the table:-

1872-3									. :	\$750,900
1873-4.										770,773
1874-5.										909,300
										842,000
										812,200

Taking the general statement of revenue and expenditure since this Government came in, including the estimates for late Government, and the sums expended | the current year, we have the following :

	Expenditure.	Revenue.
1873-4	\$23,316,316	\$24,205,092
1.745	23 713,071	24,648,715
1875-6		22,587,587
1876-7		22,059,274
1877-8		23,500,000

\$119,263,400 \$117,000,000

The figures for this year are the estimates; and as the estimate of receipts was \$600,000 in excess of the actual receipts on the 10th February last, it is fair to assume that there will be an actual 21,773 48.686 deficit this year of a million and a half of 75.931 dollars. That is taking the statement as 28,916 it is there. But in the expenditure of 23,087 | 1876.7 there is an item of \$343,591.68 carried to suspense account, on account of renewals of Intercolonial railway. Both Mr. Mackensie and Mr. Cartwright bave contended, and properly so, that these renewals should be charged against revenue. In that case, the expenditure for 1876-7 should be \$23,862,892.

But it is in the cost of collecting the revenue, and of superannuations and pensions, that we have the most remarkable evidences of how miserably the Grit-Rouge Administration have carried out their promises of retrenchment. Here are some figures on this point. In the cost of collecting the customs revenue we have the following startling figures:-

Reve	mue Collected.	Cost of Collecting. \$568,000
1872-3		\$568,000
1873-4	14,410,600	658,300
1874-5		682,700
1875-6	12,841,300	721,000
1876-7		721,600

The cost of collecting each \$100 of Customs revenue has therefore been as follows : -

1872-3	\$4	35
1873-4	4	56
1874-5		
1875-6		
1876-7		75

A noteworthy feature in this Customs record is the astounding increase in the salaries, &c., at the port of Montreal:—

	Revenue	Cost of
	Collected.	Collecting.
1872-3	\$5,017,200	\$ 87,700
1873-4		95,800
1874-5	5,866,700	99,800
1875-6	4,296,300	117,300
1876-7		118,000

In Montreal it is well-known that this large increase in the cost of collecting a greatly reduced revenue at the port, arose from the fact that positions in the customs were the common form of bribery, used by the ministerial candidates, during the severe election contests which have taken place in that city. In the cost of collecting the Excise revenue we have the following figures:-

	Collected.	Collecting.
1872-3	\$4,527,000	\$171,700
1873-4	5,651,500	201,200
1874 5	5,141,300	199,300
1875-6	5,597,000	218,300

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The cost of collecting each \$100 of Excise revenue has therefore been as follows:

1877-7...... 4,974,000

1872-3	3.90
1873-4	3.55
1874-5	3.87
1875-6	3.89
1877-7	4.24

It is well known that in former years the Grits and the Rouges were strongly opposed both to the pension and the superanuation system, especially to the Yet, here are some figures which will serve to show how they have carried out their principles in office. 'The figures of Pensions are as follows:

1872-3	49,200
1873-4	56,400
1874-5 1875-6	63,700
1875-6	110,200
1876-7	112,500

Of the Superannu	ation Fund as follows
1872-3	\$ 53,000 64,400 77,300 101,600 104,800
1873-4	64,400
18745	77,300
1875-6	101,600
1876-7	104,800

In the matter of the cost of Administra tion of Justice we have the following figures. It is proper to say that the establishment of the Supreme Court is responsible for a portion of this increase. But Mr. Blake in his elaborate statement in Parliament last session fixed the cost of that Court at \$50,000:-

1872-3															399,000
															459,000
1874-5						,									497,400
1875-6															544,000
1876-7											,				565,600

The cost of management of the principal canals, railways and telegraphs was as. tollows :-

-	
te of setting. 71,700 01,200 99,300 18,330 11,000 100 of en as	•
years rongly d the o the igures y have	÷ ÷
49,200 56,400 63,700 10,200 12,500	
53,000 64,400 77,300 01,600 04,800	
nistra lowing at the urt is crease. ement e cost	
0000	

399,000

459,000

497,400

544,000 565,600

princi-Was as. Public Works..... 1,720,333 2,260,500 \$4,361,900 \$4,998,200 Thus showing an increase of \$635,000 in controllable expenditure, under this Grit-Rouge Government, from which the people were led to believe there would public expenditure in all departments. Taking, however, the last complete year of the late Government, and the last year | made up as follows: of the present, we have the following re-

1872-3 .....\$1,408,295 1873-4 ..... 2,265,333 1874-5 ..... 2,006,941 1876-7 ..... 2,260,485 In the cost of management for 1873-4, however, there is an item of \$545,000 on

account of Intercolonial Railway, which was improperly charged to revenue in-stead of capital account. All similar ex-

penditures since have been charged to

capital, and in the debates which occurred in Parliament it was admitted that

this item should have been so charged.

Deducting this, the figures for 1873-4 should be \$1,720,333, instead of \$2,265,

Taking all the charges together, and

giving the Grit-Rouge Government the

benefit of all they claim concerning the

year 1873 4, the estimates for which were

prepared by Mr. Tilley, but during eight

months of which Mr. Mackenzie was in

office, and in a position to make any

economies he thought possible, we find

1873-4.

318,660

658,300

201,200

459,000

56,400

64,400

1876-7.

\$ 812,200

210,000

721,600

211,000

565,600

112,500

104,800

the following as the general result:-

Civil Government. \$883,700

Immigration.....

Customs Salaries...

Excise Salaries...

Administration of

Pensions .....

Superannuation Fund.....

Justice.....

bulu		
Civil Government.	<b>\$750,900</b>	\$812,200 210,000
Immigration	277,400	210,000
Customs salaries	568,000	721,600
Excise salaries	171,700	211,000

Administration of Justice	399,000 49,200	565,600 112,500
Supera n u a t i o n fund Public Works	53,000	104,800 2,260,500

\$4,998,200 **\$3,677,500** Or an increase of \$1,320,000 over the expenditure which Mr. Mackenzie was in the habit of calling excessive, when he was in opposition. So much for the ordinary expenditure or as it is called the expenditure changeable to consolidated

fund. But as an answer to this, the electors will be told that the expenditure under the former Government, between and 1873, increased in a If this were true, in much greater ratio. the sense in which it is presented as an answer to the charge of extravagance, and of violation of their promises brought against the Mackenzie Government, it The late would in fact be no answer. Government has been out of office for a Parliament, and it is with the present Government that the electors have now to do. But without admitting that there is any force in that kind of argument, let us look at the facts. Here is the state of the expenditure account as taken from the public accounts :-

om one public accounts.	
1867-8	\$13,486,000
1868.9	14.038.000
1869-70	14,345,500
1870-1	15.623.000
1871-2	17,589,500
1871-2 1872-3	19,174,600

For the year 1873.4, the estimates were brought down by Mr. Tilley, although two-thirds of the expenditure was made by Mr. Mackenzie's Government. Mr. be the most important reductions in the Tilley's estimates of the expenditure for 1873-4, i.e., the amount the old Government proposed to spend, was \$22,483,000,

	First Estimates Supplementary	do	\$20.941,000 1,542,000
ı			

The supplementary estimates were due to the assumption of the Provincial debts,

\$22,483,000

amounting to nearly fourteen millions of during the first years of confederation :dollars, by the Dominion Government; and were, therefore, simply a transfer of liability from the Provinces to the Dominion, and to the charges incident entrance of Prince Edward Dominion. It into the for the insufficient to account that during that time the crease, Northwest Territories, British Columbia and Prince Edward Island were added to the Dominion. That these experditures were wisely made, we have the most undoubted testimony, that of Mr. Cartwright himself. In the prospectus of one of his numerous loans, issued in London, dated 19th October, 1875, referring to the increased expenditure of Canada, he said :-

Canada, he said:—

The revenue has shown a continuous surplus during each y ar since Confederation, in 1807, althouga it has in the interval been charged with much heavy expenditure of an esceptional kind, such as the outlay connected with the everal Fenian attacas on the centry the acquisition and organization of new territory, and providing an adequate defensive force for the Dominion.

The eight years since Confederation, therefore, exhibitan ag. regate surplus of two hillions four hundred and forty-thee thousand one hundred and eleven pounds (equal to eleven milions eight hundred and eight vollars, and not including the sinking fund) which has leen partially applied in the redemption of debt, and partially expected in new works. The annual payment for sinking fund is included in the current expenditure, and forms in the agergate a further sum of seven hundred thousand pounds (or three milions lour hundred and eix thousand six hundred and sixly-eight dollars) since Confederation.

And if that were not enough, we have the fact that without the addition of any new territory to the Dominion, the amount asked for by Mr. Cartwright for the current year's expenditure, chargeable to consolidated revenue, exceeds the amount asked for by Mr. Tilley the last year he was in office, by no less than \$1,760,000! It is worth while, however, to remember that while the late Government were liberal in their expenditures, as was required in bringing into operation the new system, erecting public buildings, and making public improvements in the different Provinces, they never exceeded their income, but on the contrary were always largely within it. Here because that was a work which the late

Expenditure.	Revenue.	Surpluses.
1967 8\$13,486,000	\$13,687,900	\$201,900
1868-9 14,038,000	14,370,000	841,000
1869-70 14,345,500	15,512,000	1,146,500
1870-1 15,623,000	19 335,600	3,712,600
1871-2 17,589,500	20,714,800	8 125,800
1872-3 19,174,600	20,813,500	1,638,900
\$91,256 600	\$104,442,8.0	\$10,186,200

So that if, in consequence of the expansion of the Dominion, and the outlay caused by it, the expenditure increased \$6,000,000 in the six years, the revenue increased so much more as to leave an aggregate surplus of over ten millions, which, added to capital, went in reduction of the public debt. It was not long that, under the malign influence of the present Government, this condition of things was changed, as will be seen by the following general statement :-

(1.)	Annual	surpluses	1867-8	to	*** *** ***
	1872-3			•••	\$10,188,200

(2)	Surplus	, 1873-4\$889,000 1874 5935,700	A1 004 T00
(3.)	Deficit,	1875-6\$1,900,800 1876-7	\$1,824,700
Pro	hable do	1877-8 1.500,000	

\$4,860,800

And this is a result in spite of the fact that while under the former governtea and coffee, and other articles were made free, when imported from England or from the countries of production, and thus the people relieved of over two millions annual tax, the deficits under Mr. Cartwright's regime have occurred, notwithstanding that he had added three millions of dollars a year additional burdens upon the country. But for that increase in taxation, the deficit under the present Government would have been in the aggregate nearly seventeen millions of dollars!

An attempt has been made to show that the large increase of expenditure has been the results of works undertaken, or obligations incurred by the late Government. That cannot apply to expenditures chargeable to consolidated fund, with which we have been dealing. It cannot apply to the canal enlargement, is the revenue and expenditure account Government were condemned by the

Grits f vigor. Railwa devote be sho be no Govern increas The

been v

been during been in sult on 1872 3. 1873 4. 1874-5. 1875 6. 1876-7.

> Tota \$44,932 The debt h Interes Interest Interest Interest Interest

debt si Dedu "assets debt ta 1867 ... 1868 ... 1869 .. 1870 ...

Total

1871 ... 1872 .. 1873 ... 1874 ... 1875 ... 1876 ... 1877 ...

Grits for not pressing forward with more vigor It can only apply to the Pacific Railway; and in a subsequent paper, devoted specially to this subject, it will be shown that in relation to it there can be no ground for attack upon the late Government, as affecting the remarkable increase of expenditure under this one.

The increase in the public debt has been very marked. Mr. Cartwright has been three times in England for loans during the four years and a half he has been in office, and the following is the result on the public debt:

ation :-Surpluses.

\$10,186,200

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e outlay

ncreased

revenue

leave an millions, reduction long that, e present hings was

following

\$10,186,200

\$1,824,700

\$4,860,800

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Mr. Cart-

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e present n the agns of dolto show diture has rtaken, or Governexpendied fund, aling. It argement, the late l by the

1872 3	\$129.743.400
1873 4	141,163,500
1874-5	151,663,400
1875 6	161,205,000
1876-7	174,675,800

Total increase in debt since 1872-3, \$44,932,400.

The increase in the interest on the debt has been as follows:— Interest in 1872-3.....\$5,549,400

Interest in 1873-4..... 6,122,800 Interest in 1874-5...... 6,340.000 Interest in 1875-6..... 6,752,200 Interest in 18:6-7...... 7,132,400

Total increase in the interest on the debt since 1872-3, \$1,583,000.

Deducting what are known as the "assets," Mr. Cartwright brings out the

	as follows :-	
1867		75,729,000
1868		75,757.000
1869		75,859 300
1870		78,209,700
1871		77,706,500
1872		82,187 000
1873		99.848,500
1874	1	08,325,000
1875		16,008,400
1876	1	24.551 600
1877		33,000,000

That is, the net debt of the Dominion increased during the first six years of Confederation under the late Government, \$24,000,000; and during the four years of Mr Mackenzie's reign it increas d \$33,-000,000; and this in spite of the fact that the burdens of the people have been increased by Mr. Cartwright to the tune of three millions of dollars annually. That the increase under the former Administration was a legitimate and proper one, is shown by Mr. Cartwright's London cir-cular, to which reference has been already made. He says in relation to it :

"The whole of the debt has been incurred for legitimate objects of i ub ic util ty.

The indirect advantage from these public works has aiready seen found in the remarkable rapidity with which the commerce and materiae prosperity of the Deminion have been neve oped; while a substantial i crease in the direct returns may sairly be expected from the improvements now in progress and to follow the steady progress of population and trade."

The result of five years of Grit Rouge rule therefore has been, that while we were promised economy in the public expenditure, we have had extravagance; while we were promised " a career of material prosperity and material progress," we have had hard times in every department of business, increased taxation and annual deficits; and while the increase of debt under the old government was de-nounced, we have had the debt in-creased, notwithstanding our higher taxes, at a ratio double that of the increase during the former administration. These are facts for the electors to consider, and considering them, to act upon them by such a rebuke to the men who obtained office by deceiving them, as will teach such pretenders a salutary lesson for the future.

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